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STATE PROCUREMENT OFFICE  
NOTICE OF AND REQUEST FOR EXEMPTION  
FROM CHAPTER 103D, HRS

1. TO: Chief Procurement Officer  
2. FROM: DAGS/ICSD/SSB

Department/Division/Agency

Pursuant to §103D-102(b)(4), HRS, and Chapter 3-120, HAR, the Department requests a procurement exemption to purchase the following:

3. Description of goods, services or construction:

The hardware requested is the hardware component of the Axway appliance which performs the majority of all financial data transmissions to financial institutions like those to ING for deferred compensations transactions.

4. Name of Vendor: Axway Inc.

Address: 1600 Seaport Blvd  
Suite 400, South Building, Redwood City, CA 94063

5. Price:

\$52,000

6.

Term of Contract:

From: ~~April 2010~~ 4/19/2010 To: Dec 2010

7. Prior Exemption Ref. No.

06-054-J

8. Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:  
The Axway File Transfer Appliance (formerly Tumbleweed) is a composite device consisting of preinstalled software on hardware certified and warranted by the vendor as secure. The Vendor has notified us that the hardware has reached end of life and must be replaced.

It is not advantageous to the State to solicit the replacement server hardware, while retaining the software as the vendor would not be able to certify and warrant the unit as a whole, secure. As the Axway appliance is used to transmit confidential and personal identity information, ICSD needs to keep the vendors certification and warranty to safeguard this data.

9. Details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable:

Due to the nature of the data being transmitted through the Axway appliance to financial institutions, ICSD needs to retain the vendor's certification and warranty. This requires the acquisition of the replacement hardware server from the vendor who is able to assert that the hardware and software operate securely together.

10. A description of the agency's internal controls and approval requirements for the exempted procurement:

Completion of a requisition form that itemizes all costs associated with the procurement. Subsequently, a departmental comments and recommendation form is completed that is reviewed and approved by the ICSD Assistant Administrator, Administrator, and DAGS Comptroller.

**REQUEST FOR EXEMPTION FROM CHAPTER 103D, HRS (Cont.)**

12. A list of agency personnel, by position, who will be involved in the approval process and administration of the contract:		
Name	Position	Involvement in Process
Debra Gagne	Administrator	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Todd Crosby	Assistant Administrator	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
Wayne Sasaki	Chief, Systems Services	<input checked="" type="checkbox"/> Approval <input checked="" type="checkbox"/> Administration
Sharon Wong	Chief, Planning and Project Mgmt	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration
		<input type="checkbox"/> Approval <input type="checkbox"/> Administration

13. Direct inquiries to:	Department: Accounting & General Services Contact Name: Wayne Sasaki Phone Number: 586-1940 x343 Fax Number:
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Agency shall ensure adherence to applicable administrative and statutory requirements

14. I certify that the information provided above is, to the best of my knowledge, true and correct.

*Rose K. Saito*

Department Head

*4/16/10*

Date

Reserved for SPO Use Only	
15. Date Notice Posted <u>4/20/2010</u>	
The Chief Procurement Officer is in the process of reviewing this request for exemption from Chapter 103D, HRS. Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven calendar days or as otherwise allowed from the above posted date to: <div style="margin-left: 100px;">           Chief Procurement Officer            State Procurement Office            P.O. Box 119            Honolulu, Hawaii 96810-0119         </div>	
Chief Procurement Officer's comments:          <div style="border: 1px solid black; padding: 10px; margin-top: 20px;">           Department is reminded that procurements \$2,500 or more are required to be posted on the Procurement Reporting System.         </div>	

16.

☒ **APPROVED**
☐ **DISAPPROVED**
☐ **NO ACTION REQUIRED**

*Adam S. Fyfe* 4/29/2010  
 Chief Procurement Officer Date